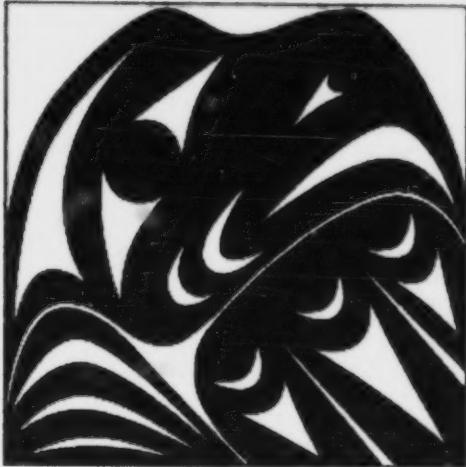




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"Children at the centre..."

Vancouver Island Aboriginal Transition Authority

ANNUAL REPORT

2007 - 2008

August 2008



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Victoria BC V8W 1J1
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www.viatt.ca



Vancouver Island Aboriginal Transition Authority

ANNUAL REPORT

Letter from the Chair

August 15, 2008

Honourable Minister Tom Christensen
Minister of Children and Family Development
PO Box 9042 STN Provincial Government
Victoria BC V8W 9E2



Dear Minister Christensen:

On behalf of the Board of the Vancouver Island Aboriginal Transition Authority (VIATA), I am pleased to submit our 2007/08 Annual Report.

The Vancouver Island Aboriginal Transition Authority is working with First Nations, Métis, and urban Aboriginal communities to create a better future for all Aboriginal children and families on Vancouver Island. The task has provided many opportunities to work with Aboriginal communities who possess diverse interests and a vision of a unique future for themselves and services for their children and families. VIATA continues to work with our leaders to advance a unified voice for child and family services.

Within the context of significant change, we have capitalized on many opportunities for success identified by our leadership. With them, we share the vision of bright possibilities for a better system for Aboriginal children, one that builds on the current service infrastructure and moves us all closer to the desired end states of an Aboriginal governed, designed and delivered child and family service system for Vancouver Island.

We have communicated our findings back to community, sharing what we have heard and learned. We have been successful in facilitating a widely held common vision within the recognized diversity of cultures and organizations of Vancouver Island. The Vancouver Island leadership recognizes that this diversity has yet to be held within a common unifying structure for the region's Aboriginal communities. We continue to facilitate the development of community-driven models of leadership for child and family services unique to Vancouver Island Aboriginal communities. Collaboration and communication set the way forward for this important work.

We have been tasked to support the Island's Aboriginal communities to develop effective models of indigenous leadership for a child and family services system. After five years of hard work and many challenges, our communities looked forward to the spring session of the Legislature with great expectations. The introduction of the legislation to create permanent regional Aboriginal authorities had been announced in the speech from the throne. While the loss of that window of opportunity left all those working towards an Island-wide solution disheartened, a historic gathering hosted by the Tseycum First Nation on May 14, 2008, gave us the opportunity to create an even broader vision of support for all First Nations communities.

At that meeting in the Tseycum Longhouse, which you attended, Vancouver Island Chiefs, Elders, and political leadership came together to discuss "with one mind" how to continue the work of creating a Vancouver Island-specific approach to governing and delivering services to Aboriginal children. The leaders instructed VIATA to work with the British Columbia Assembly of First Nations to host a series of workshops to collectively develop a community-driven leadership model for child and family services.

Will that result in new legislation? Perhaps...but what is clear is that the Leadership Council must now follow the will of the Vancouver Island leadership in supporting the development of an indigenous child and family services system for Vancouver Island. I know that the development of an indigenous leadership structure will be achieved. With that may come the understanding of both the necessity and role of enabling legislation.

We recognize that the work of supporting the development of an Island indigenous child and family services system is immense. While issues can add to the complexities, our success has been solution-focused, collaborative, inclusive and respectful.

Our work would not move forward without the passionate guidance of our Elders and leadership. Through personal, face-to-face liaison, and by hosting a number of large community gatherings, we have witnessed significant strides in the development of options and approaches that encompass the diversity and strengths of each community, knowledge that will provide the foundation for a truly "Island-based" Aboriginal system.

We are fortunate to have in our Board and staff an impressive body of wisdom that comes from extensive experience working within child and family services – from frontline to administration, management, political advocacy and leadership. We are proud to have two past chairs of the First Nations Directors Forum for delegated agencies as original members of the VIATA. We have an impressive cadre of subject matter experts in all aspects of the provision of Aboriginal child and family services through delegated and non-delegated agencies, and also in legal and financial matters pertaining to child and family services in BC.

Choice is a cornerstone to self-determination and is the core principle of our approach to the work. Any group or community can choose to participate in a new Aboriginal child and family service delivery system led by Vancouver Island Aboriginal leadership. Some First Nations have confused the development of

provincial enabling legislation with an avenue to implement inherent jurisdiction. This has caused some confusion and has impacted their relationship with this important work. While enabling legislation would in no way affect jurisdiction, it is important that a comprehensive understanding of any proposed legislation be understood by all.

We all must redouble our efforts to support clarity of understanding of what exactly this process is about – an administrative transfer of managerial oversight from Ministry of Children and Family Development (MCFD) to First Nations and Aboriginal communities. It is this important work that will allow First Nations communities to move away from being governed by MCFD, which is a collective goal of all those working towards better services for Aboriginal children.

We anticipate that the disentanglement of the Aboriginal component of MCFD services from the non-Aboriginal will be made complex due to the nature of historic contracting practices. VIATA staff are now working proactively, with the support of MCFD and community partners, and under the direction of the Aboriginal leadership and yourself, to separate the two service streams.

While the challenges in child and family services have existed for a long time, VIATA has been successful in bringing the strengths of Aboriginal tradition and culture into the process – something never before accomplished. As our Elder, Tom Sampson pointed out at Tseyecum, while Aboriginal people have struggled for centuries to adapt to the European ways, and we have mostly been successful, non-Aboriginal people have not been as successful in learning our unique and diverse ways. We are the only ones who understand ourselves.

VIATA will continue to work with our Elders, the leadership and the British Columbia Assembly of First Nations to prepare for the delivery of services to the Aboriginal communities in the only way that will offer the best future for Aboriginal children and families – guided by and accountable to their communities. Aboriginal children need to be cared for by their own people because those are the ones who know best what is needed.

Gilakas'la,

A handwritten signature in cursive script, appearing to read "Marion Wright".

Marion Wright, M.Ed.
Chair, Vancouver Island Aboriginal Transition Authority



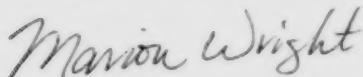
Accountability Statement

The 2007-2008 Vancouver Island Aboriginal Transition Authority (VIATA) Annual Report was prepared under the Board's direction in accordance with the Budget Transparency and Accountability Act and the BC Reporting Principles. The Board is accountable for the contents of the report, including what has been included in the report and how it has been reported.

The information presented reflects that actual performance of VIATA for the twelve months ended March 31, 2008, in relation to the Government's Letter of Expectation (GLE) issued June 8, 2008. The measures presented are consistent with VIATA's mandate, goals and strategies, and focus on aspects critical to the organization's performance.

The Board is responsible for ensuring that internal controls are in place to ensure performance information is measured and reported accurately and in a timely fashion.

All significant decisions, events and identified risks, as of April 30, 2008, have been considered in preparing the report. The report contains estimates and interpretive information that represent the best judgment of management. Any changes in mandate direction, goals, strategies, measures or targets made since the June 2008 GLE was issued and any significant limitation in the reliability of data are identified in the report.



Marion Wright, M.Ed.
Chair, Vancouver Island Aboriginal Transition Authority

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1. About VIATA

1.1 Core Purpose

The Vancouver Island Aboriginal Transition Authority has been working to establish effective models of leadership that will provide programs and services to Aboriginal people on Vancouver Island. Having started as a planning committee in 2002 and progressing to the status of Interim Authority in June of 2007, we continue to develop plans that will support Aboriginal communities to implement culturally meaningful child and family services. While the structure of the organization that will support Aboriginal communities has not yet been finalized, to date we have referred to an "Aboriginal Authority" or a "regional model of leadership" as the entity that would support the coordination of the relationships to enable First Nation and Aboriginal communities to carry forward the incremental transfer of programs and services and to assume governance over those services.

Working with Aboriginal communities throughout Vancouver Island, VIATA supports the desires and cultural needs of communities to care for their own children, continuing to facilitate the necessary dialogue and supporting practices that place culture and tradition as cornerstones of services to children and families. Aboriginal communities use these practices to guide the development of leadership models for Vancouver Island services.

1.2 Enabling Legislation and Mandate

The Vancouver Island Aboriginal Transition Authority was established under the *Community Services Interim Authorities Act* on June 8, 2007:

"The purposes of an interim authority are, with the assistance of the Minister,

- (a) to prepare for the establishment and operation of a new Permanent authority, and
- (b) to perform the functions necessary to facilitate a new Permanent authority that will be providing some or all community services or administrative services in place of the Ministry of Children and Family Development (MCFD)."

The mandate provided by the Ministry of Children and Family Development in the Government's Letter of Expectation is to "plan for possible creation of a Permanent Authority, including the transfer of authority and resources from MCFD to a Permanent Authority." Full details regarding the Government's Letter of Expectation for VIATA can be found on the following website: www.viata.ca.

1.3 Overview of Core Business Areas

Under the *Community Services Interim Authorities Act*, the Vancouver Island Aboriginal Transition Authority is not a service-providing agency. Instead, VIATA is an Aboriginal entity developing the relationships, governance and infrastructure necessary to begin the transfer of programs from the Ministry of Children and Family Development to the Aboriginal communities. The nature of the relationship between Aboriginal communities and VIATA is based on a principle of choice and will continue to evolve and grow as engagement and planning needs and opportunities increase.

For information on the Vancouver Island Aboriginal Transition Authority's vision, mission and community mandate, please visit our website at www.viata.ca.

1.4 Community Stakeholders

Our key stakeholders are:

- The formal political structures within Aboriginal communities on the Island, such as First Nations Bands and Tribal Councils, Métis Nation British Columbia, the United Native Nations, as well as the BC Assembly of First Nations, Union of British Columbia Indian Chiefs and the First Nations Summit;
- Aboriginal community members and families, including natural community and family leaders, Elder groups, families with children and youth, families with children and youth in care or receiving services from the Ministry of Children and Family Development, families with special needs children, and youth and youth groups;
- Aboriginal Delegated Agencies¹ which have a unique role in providing statutory services;
- Aboriginal service providers delivering Child and Family Services and/or ministry-sponsored agencies (thereby having a direct financial link to an unifying regional model of leadership), including Friendship Centres and other urban Aboriginal agencies, non-Aboriginal agencies, and Ministry of Children and Family Development Aboriginal service stream teams;
- Service providers delivering general community services (thereby having an indirect link to an unifying regional model of leadership), including independent Aboriginal schools, alcohol and drug counsellors, Aboriginal youth justice workers, band education coordinators, and social development workers; and

¹ A Delegated agency has the mandate to deliver child welfare services. This mandate is provided by the Minister of Children and Family Development.

- Other Stakeholders – including Ministry of Children and Family Development, Vancouver Island Health Authority, Community Living BC, regional municipalities, federal and provincial departments.

1.5 Location of Operations

Our administrative office is located at #303, 31 Bastion Square, Victoria, British Columbia, V8W 1J1. Our work is carried out in Aboriginal communities across Vancouver Island.

The Vancouver Island Aboriginal Transition Authority recognizes that both the unique cultural and geographic diversity of Aboriginal communities on Vancouver Island, along with the significant distances and distinct transportation routes, must be considered when planning services. For these reasons, VIATA has developed a set of proposed service areas relevant to Aboriginal communities to use when planning for and implementing all linkage activities and service areas.

The five service areas are:

- North Island – including Kingcome and Rivers Inlet;
- West Coast – as a whole, up the western coast of Vancouver Island, but broken into two or three sub-service areas, and including Zeballos;
- North Central – including Sayward, Campbell River, Courtenay, Quadra Island, Cortes Island, Hornby Island and Denman Island;
- Central – including Qualicum south to Malahat, and including Saltspring Island, Thetis Island, Kuper Island and Gabriola Island;
- South – including south Island communities to Victoria and Port Renfrew, and including Galiano Island, Mayne Island, Pender Island and Saturna Island.

VIATA recognizes and supports the existing service delivery agencies throughout Vancouver Island and, through dialogue, will work as requested to assist those agencies to move forward on outstanding issues and opportunities.

2. Governance

2.1 Role of Board of Directors

The Board's role is to foster the success of the organization's short- and long-term success consistent with the mandated objectives and accountabilities provided by the Government's Letter of Expectation. The Board oversees the affairs of the organization and supervises the Chief Executive Officer (CEO), who is responsible for the day-to-day operations.

The Board meets a minimum of once a month, or on a schedule approved by the Board, in communities throughout the service area. As a new organization, the Board is working toward establishing the best practice guidelines and standards for compensation, meetings, and set-up of required working committees for HR, governance, etc.

We continue to work towards compliance with the Board Resourcing and Development Office's Standards of Ethical Conduct for Directors of Public Sector Organizations. These standards can be found at
<http://www.lcs.gov.bc.ca/brdo/conduct/ethicalstandards.pdf>

2.2 Board Membership

As of December 2008, there are 12 members on the Vancouver Island Aboriginal Transition Authority Board, representing all three First Nations cultural groups, the Métis and Urban Aboriginal people on Vancouver Island. The representational structure of the Board is:

- 2 Métis
- 4 Urban Aboriginal
- 2 Kwakwaka'wakw
- 2 Coast Salish
- 2 Nuu'Chah'Nulth

This structure is preserved in our governance policy for the selection of future members and ensures that voices from throughout the Island will continue to be a part of the planning process. For more information on our governing principles and values, please go to www.viatt.ca.

The Board is remunerated according to the Treasury Board guidelines, and disclosure of governance practices is in compliance with the Board Resourcing and Development Office's guidelines.

As the planning process has evolved, new members have come forward by responding, through an open and transparent process, to advertised board vacancies. Board applicants are interviewed and selected to ensure that the representative structure is maintained and that it includes the appropriate cultural, legal, financial and service delivery expertise. An Executive Director of

a Delegated Agency has participated as a member of the Board from the beginning of this process. Selected board members are then approved by the Minister of Children and Family Development and receive letters of appointment to the Vancouver Island Aboriginal Transition Authority Board.

Current board members, also listed on our website at www.viatt.ca, are:

Marion Wright, Chair
Paul Sam, Vice-Chair
Bruce Parisian, Vice-Chair
Ron Schell, CGA
Audrey Wilson

Sue Hendricks
Grace Elliott-Nielsen
Carol Anne Hilton
Wally Samuel
Pearl Hunt

2.3 Board Committees

As a new organization, VIATA has established the following two committees:

1. An **Executive Committee** is used for labour relations and financial oversight support to the Board, with the following membership:

Marion Wright, Chair
Paul Sam
Bruce Parisian
Ron Schell
Audrey Wilson

2. An **Operational Service Plan Committee** is tasked with making recommendations on the detailed review of planning documents and strategies necessary for the completion of the planning process.

Marion Wright, Chair
Grace Elliott Nielsen
Pearl Hunt
Audrey Wilson
Wally Samuel

2.4 Names and Titles of Senior Management

The Vancouver Island Aboriginal Transition Authority Board, through its governance policy framework, has one employee: Chief Executive Officer, David Stevenson.

Other key positions are:

- Community Linkage, Kris Archie
- Operational Linkage, Kyra Mason
- Corporate Services, Barbara Walker

3. Report on Performance

3.1 Objectives, Strategies and Measures

The Vancouver Island Aboriginal Transition Authority was not in existence when the 2007/08 Service Plans were written and presented to the House. Consequently, although the performance measures listed are congruent with the Government's Letter of Expectation, there were no formal performance measures developed through the Service Plan process. Each of the objectives was listed in the Government's Letter of Expectation and in the Letter of Direction provided by the Minister of Children and Family Development. The performance measures were developed as part of a comprehensive planning process that included staff, community members and service providers.

As a planning body, VIATA has focused on planning, community engagement, and the development of governance, operational and transition plans necessary to establish the appropriate model of leadership for an indigenous child and family service structure for Vancouver Island.

Objective #1 Use an inclusive planning process with every First Nation and Delegated Agency as well as the Métis and Urban Aboriginal people to ensure that proposed models of leadership meet the needs of Aboriginal communities.

Performance Measures	07/08 Outcomes
<p>1. Conducted planning meetings with service providers to understand needs</p>	<ul style="list-style-type: none"> ▪ 85 meetings with service providers, including 17 with Delegated Agencies to talk about the concept of new model of leadership and to gather information to identify areas of support that could be provided to service providers including Delegated Agencies ▪ Documented operating issues and challenges themes resulting from discussions with Service Providers. ▪ Developed a draft of potential Service Provider support functions that may be provided to agencies
<p>2. Conducted planning meetings with community members to understand needs</p>	<ul style="list-style-type: none"> ▪ 2 Art of Hosting sessions involving 79 community members who were trained to have dialogue in communities about child and family services ▪ 38 meetings, involving 1280 participants to explain the Aboriginal Regionalization concept and to gather community input ▪ Documented themes that provide valuable information to inform planning
<p>3. Met with Aboriginal Political Leadership and hosted an Aboriginal Leadership conference to understand political interests</p>	<ul style="list-style-type: none"> ▪ 52 meetings with Aboriginal Political groups including 245 participants ▪ Achieved a significant increase in awareness among Aboriginal Political leaders about the Aboriginal Regionalization process ▪ Approximately 70% of First Nations on Vancouver Island have demonstrated support for VIATA and its work

Objective #2 Provide options and make recommendations to the Government concerning models of leadership for Aboriginal child and family development services and planning.

During VIATA's 2007-08 planning activity it began the process of developing Draft Models of Leadership for Aboriginal Child and Family services. To date, four models of leadership have been developed and examined, including: 1) MCFD-led; 2) Advisory Committee model; 3) First Nations Director; and 4) Aboriginal Authority model.

Performance Measures	07/08 Outcomes
<p>1. Host meetings to have dialogue about models of leadership</p>	<ul style="list-style-type: none"> VIATA's dialogue process included conversations about models of leadership with community to collect their feedback and identify preferences. Developed 9 additional evaluation criteria to be used to assess each of the proposed models. These criteria will be combined with the three criteria presented within the GLE to perform an analysis of the models, and come up with a recommendation that may be presented to Community and MCFD.
<p>2. Develop governance policies and procedures to support a recommended governance structure</p>	<ul style="list-style-type: none"> Have completed revisions to draft governance policies that currently guide the Vancouver Island Aboriginal Transition Authority based on input from community.

Objective #3 Prepare a phased-in operational and transition plan for development of a selected Aboriginal model of leadership.

Performance Measures	07/08 Outcomes
<p>1. Work with MCFD Vancouver Island Region to map current services and resources</p> <p>Operational and transition plan completed for first programs</p>	<ul style="list-style-type: none"> ▪ A VIATA / VIR MCFD work team began working on the mapping and disentanglement of MCFD services. ▪ The work team has completed work to identify the sequence of services to be disentangled and transferred from VIR to MCFD. (Applying the incremental approach called for by MCFD Provincial Office.) ▪ VIATA and VIR MCFD have proceeded with service mapping of programs identified for early transfer and have developed a first draft of preliminary program profiles. ▪ VIATA is exploring pilot projects to get involved in joint program initiatives with VIR MCFD for programs that have been identified for early transfer. ▪ Exploring Service Level Agreements with external agencies or Vancouver Island Region MCFD when opportunities are identified for shared corporate services functions to support emergent models of leadership and organization.

Objective #4 Develop and implement administrative services and systems necessary to support the operation of a selected Aboriginal model of leadership.

Performance Measures	07/08
<p>1. Establish Human Resource, Finance Accounting System, Facilities and Information Management/Information Technology systems and resources to provide oversight function</p>	<ul style="list-style-type: none">VIATA currently has the necessary Corporate Services infrastructure to support Interim Authority functions, including: facilities management, accounting, IT and human resources systems.40% complete in its implementation of a work plan and process for identifying and implementing the Corporate Services necessary for operation of a selected Aboriginal model of leadership.Working with the Corporate Accounting Service, Ministry of Labour and Citizen's Services and the Office of the Comptroller General on the development of Oracle-based financials to support the financial activities and reporting requirements. Migration of our current accounting system into the Oracle system is scheduled to occur on November 1, 2008.

3.2 Performance Management System

The following tools and approaches are being used to track our performance toward achievement of our objectives:

Dialogue Trackers: VIATA documents all meetings with stakeholders along with a summary of meeting outcomes, in order to track the number of times VIATA meets with different stakeholders and or within different sub-regions.

Data Themes: VIATA has continued to document the wisdom collected through our many dialogues with community and operational stakeholders. This wisdom is then turned into themes used to direct VIATA's planning activity.

Measures of Stakeholder Support: VIATA is maintaining correspondence and other documents that indicate support from various community and operational stakeholders in order to measure the level of support stakeholders have for VIATA's planning effort.

VIATA Quarterly Reports: VIATA provided quarterly financial reports to the Ministry for Children and Family Development and the Office of the Comptroller General/Ministry of Finance.

Financial Audit: VIATA's year-end financials have been audited on an annual basis to ensure that its financial performance complies with generally accepted accounting practices.

3.3 Benchmark Comparisons

As a developing entity, we have become aware of the need to compare our performance outcomes against those from similar organizations. Work will begin during the next fiscal year to establish relationships with other Aboriginal agencies in Manitoba and Alberta and among the other agencies that are established in British Columbia.

3.4 Risk and Capacity

Issue	Management Strategy
1. Within the existing government service delivery systems, remote First Nations have always been challenged to access services. VIATA needs the participation of all First Nations.	The planning process must be accessible. VIATA has ensured that individuals who want to participate in the planning process are provided with the necessary support. VIATA has traveled to many remote communities to invite community members into the process.
2. Diverse stakeholder interests	Each First Nation and organization has a unique vision of what is needed. VIATA continues to work to bring the ideas together to create a strategy that supports the diversity of stakeholder needs and interests. There is an understanding that there may be more than one solution that works for Aboriginal people on Vancouver Island.
3. Dialogue time for adequate consultation	VIATA knows that it takes time to make good decisions. Attending to cultural protocol and giving people the time and space they need to contribute are established dialogue principles.
4. Enabling legislation	With the failure of the legislation in April 2008, the ability to move forward to achieve a vision of transferring control over Aboriginal child and family services is dependent upon identifying alternative enabling platforms. VIATA will be listening to Vancouver Island Chiefs and other leadership to identify alternative models to achieve our collective vision.
5. Relationships with Aboriginal stakeholders	Building strong and supportive relationships is key to the work of VIATA. We continue to work to maintain planning momentum and relationships with all First Nations and agencies on Vancouver Island.

Issue	Management Strategy
6. The Aboriginal community continues to support the vision of a child-centred Aboriginal model of leadership that will co-create policy and practices that better support Aboriginal children and families.	Dialogue to date suggests that there are differences of opinion regarding the most suitable model of leadership for achieving the ultimate vision for Aboriginal Control over child and family services. Work is underway to have dialogue with different groups on the Island to identify how different models of leadership may co-exist on the Island.
7. Ministry of Children and Family Development receives adequate funding to support ongoing planning for the development of Aboriginal models of leadership.	The Minister of Children and Family Development remains firmly committed towards the devolution of services to the Aboriginal community. Therefore, it is expected that adequate funding will be provided to complete this important work.
8. The mandate provided by Ministry of Children and Family Development will not change substantially requiring additional funding.	We will work with the Ministry to stay apprised of any changes to the planning mandate.

4. Progress Towards Government's Letter of Expectation

All of the progress made has been consistent with the Government's Letter of Expectation. See Section 3 – Report on Performance.

5. Report on Finances

5.1 Management Analysis

The Vancouver Island Aboriginal Transition Authority has made a tangible and positive result in the movement towards greater Aboriginal control of programs and services for Aboriginal children and families. Although the anticipated legislation was not presented in the House on April 30, 2008, the desire on behalf of Island Aboriginal communities to bring services into Aboriginal communities has increased substantially.

After the events of April 30, 2008, Chiefs all over the Island are now taking action on this significant issue and are engaged in planning for a Vancouver Island approach to child and family services.

As the planning environment on the Island continues to evolve, VIATA recognizes the need to transform both its governance and operational functions to accommodate the diverse interests of different groups of communities. This transformation may see the establishment of a new planning structure(s) to carry forward the work. We are optimistic about this development and look forward to the evolution of this process.

From a financial perspective, the health of VIATA remains strong, with net assets of \$433,488. The attached financial results reflect the operation of VIATA for the period June 9, 2007, to March 31, 2008. (Appendix 1)

VIATA has used \$227,667 of the surplus from the planning process, as outlined in the agreement with MCFD. (Appendix 2) Overall, the fiscal year that included 8.5 months of the Interim Authority, and 3.5 months of the pre-Interim Authority period resulted in a surplus of \$91,821.

The Auditor General completed VIATA's financial audit. The results were very positive, and the recommendations will help to enhance our internal controls and financial administration in the future.

Due to the newness of this organization, no comparative benchmarks for financial data are included for fiscal year 2006-07, as VIATA was developed as Interim Authority in June 2007; however, a variance report of actual vs. budgeted expenditures for the period June 9th, 2007 to March 31, 2008 is included as Appendix 3.

5.2 Capital Plan and Major Capital Projects

Office space, tenant improvements and office furniture were provided in 2006/07 to the Vancouver Island Aboriginal Transition Authority by the Ministry of Children and Family Development, which leased office space on behalf of VIATA.

5.3 Letter of Management Responsibility

The financial statements of the Vancouver Island Aboriginal Transition Authority have been prepared by management in accordance with generally accepted Canadian accounting principles. The financial statements fairly represent the financial position of the organization as at March 31, 2008, and the results of its operations and the changes in its financial position for the year then ended.

Management is responsible for the integrity of the financial statements and has established systems of internal control to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and financial records are properly maintained to facilitate the preparation of reliable financial statements in a timely manner.

The Auditor General of British Columbia has performed an independent audit of the Vancouver Island Aboriginal Transition Authority. The Auditor's report outlines the scope of this independent audit and expresses an opinion of the financial statements of the VIATA.



David Stevenson
Chief Executive Officer
Vancouver Island Aboriginal Transition Authority



Report of the Auditor General of British Columbia

*To the Members of the Board of Directors of the
Vancouver Island Aboriginal Transition Authority, and*

*To the Minister of Children and Family Development,
Province of British Columbia:*

I have audited the statement of financial position of the *Vancouver Island Aboriginal Transition Authority* as at March 31, 2008 and the statements of operations, changes in net assets and cash flows for the period then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the *Vancouver Island Aboriginal Transition Authority* as at March 31, 2008 and the results of its operations and its cash flows for the period then ended in accordance with Canadian generally accepted accounting principles.

*Victoria, British Columbia
May 16, 2008*

John Doyle, MBA, CA
Auditor General

APPENDIX 1

VANCOUVER ISLAND ABORIGINAL TRANSITION AUTHORITY
STATEMENT OF FINANCIAL POSITION
As at March 31, 2008

	<u>March 31, 2008</u>
<u>ASSETS</u>	
CURRENT ASSETS	
CASH	\$ 379,432
ACCOUNTS RECEIVABLE (Note 3)	36,584
Total Current Assets	<u>416,016</u>
 CAPITAL ASSETS (Notes 2d & 4)	 203,442
	 <u>\$ 619,458</u>
 <u>LIABILITIES AND NET ASSETS</u>	
CURRENT LIABILITIES	
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	\$ 126,958
PAYROLL LIABILITIES	59,012
Total Current Liabilities	<u>185,970</u>
 NET ASSETS	
INVESTED IN CAPITAL ASSETS	203,442
INTERNALLY RESTRICTED (Note 5)	138,225
UNRESTRICTED	91,821
Total Net Assets	<u>433,488</u>
	 <u>\$ 619,458</u>

The accompanying notes are an integral part of these financial statements

Approved:

Marion Wright

Marion Wright
Chair

David Stevenson

David Stevenson
Chief Executive Officer

APPENDIX 1

VANCOUVER ISLAND ABORIGINAL TRANSITION AUTHORITY
STATEMENT OF OPERATIONS
For the period from June 9, 2007 to March 31, 2008

REVENUES

Contributions:

Ministry of Children and Family Development	\$ 1,366,252
Interest	12,331
	<hr/> <u>1,378,583</u>

EXPENDITURES

Staff wages and benefits	\$ 522,316
Honoraria	88,263
Consultants and contractors	457,736
Travel-	
Board and committee	46,373
Staff	38,313
Meetings	95,090
Training and education	12,638
Professional fees	48,156
Communications	17,933
Office equipment and supplies	46,295
Computer systems	46,013
Building and occupancy	100,275
Amortization of capital assets	86,849
	<hr/> <u>1,606,250</u>
DEFICIENCY OF REVENUE OVER EXPENDITURES	\$ -227,667

The accompanying notes are an integral part of these financial statements

APPENDIX 1

VANCOUVER ISLAND ABORIGINAL TRANSITION AUTHORITY
 STATEMENT OF CHANGES IN NET ASSETS
 For the period from June 9, 2007 to March 31, 2008

	<u>Invested in Capital Asset</u>	<u>Internally Restricted</u>	<u>Unrestricted</u>	<u>Total</u>
Net Assets, Beginning of period	-	-	-	-
Net assets transferred from Vancouver Island Aboriginal Transition Team (Note 5 & 6)	\$ 287,178	\$ 138,225	\$ 235,752	\$ 661,155
Deficiency of revenues over expenditures			(227,667)	(227,667)
Purchase of Capital Assets	3,113		(3,113)	
Amortization of Capital assets	(86,849)		86,849	-
Net Assets, March 31, 2008	<u>\$ 203,442</u>	<u>\$ 138,225</u>	<u>\$ 91,821</u>	<u>\$ 433,488</u>

The accompanying notes are an integral part of these financial statements

VANCOUVER ISLAND ABORIGINAL TRANSITION AUTHORITY
STATEMENT OF CASH FLOWS
For the period from June 9, 2007 to March 31, 2008

Cashflow was provided by (used for):

Operating Activities:

Deficiency of revenues over expenditures	\$ (227,667)
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Items not involving cash:

Amortization	86,849
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Changes in non-cash working capital	<u>149,385</u>
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	<u>8,567</u>
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Investing Activities

Capital assets purchased	<u>(3,113)</u>
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Transfer of Assets from Vancouver Island

Aboriginal Transition Team (Note 6)	
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Transfer of Cash	266,229
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Transfer of non-cash working capital	<u>107,749</u>
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	<u>373,978</u>
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Increase in cash	<u>379,432</u>
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Cash, Beginning of Period	-
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Cash, End of Period	<u>\$ 379,432</u>
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The accompanying notes are an integral part of these financial statements

VANCOUVER ISLAND ABORIGINAL TRANSITION AUTHORITY**Notes to the Financial Statements**
For the period from June 9, 2007 to March 31, 2008**1. Purpose of the Transition Authority**

The Vancouver Island Aboriginal Transition Authority ("Transition Authority") was created under the *Community Services Interim Authorities Act* on June 8th, 2007. The Transition Authority has all powers, duties and responsibilities granted to an Interim Authority under the Act. Its board of directors consists of up to 12 members selected through a community based process and appointed by the Province of British Columbia.

The Transition Authority operates as a continuation of the Vancouver Island Aboriginal Transition Team ("Transition Team"). The mandate of the Transition Authority is to prepare for a phased in transfer of resources and authority from the Ministry of Children and Family Development ("MCFD") to a new entity. This entity has been referred to as an Aboriginal Authority; however, its actual structure has yet to be determined.

The Transition Authority is principally funded by the Province of British Columbia through MCFD and is exempt from federal and provincial income taxes.

2. Significant Accounting Policies**a) Basis of Accounting:**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") for not-for-profit organizations.

b) Revenue Recognition

The Transition Authority follows the deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonable assured. Such contributions, if contributed to a future period, are deferred and reported as deferred contributions until that future period.

Contributions that are internally restricted are recorded as a separate component of the net assets.

c) Use of Estimates and Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts in the financial statements.

Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Uncertainty exists whenever estimates are used because it is reasonably possible that there could be a difference between the recognized amount and another reasonably possible amount. Significant areas requiring the use of management estimates include the carrying value of assets and amortization of capital assets.

d) Capital Assets

Capital assets are recorded at cost and amortized over their estimated useful lives on a straight-line basis at the following rates:

- Computer equipment 3 years
- Leasehold improvements 3 years
- Office furniture and equipment 5 years

e) Financial Instruments

Financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities and other current liabilities. It is management's opinion that the Transition Authority is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values.

3. Accounts Receivable:

Accounts receivable consist of the following:

	<u>2008</u>
Employee Advances	\$ 6,810
GST Recoverable	<u>29,774</u>
	<u>\$ 36,584</u>

GST is recoverable at a rate of 50% for eligible expenditures.

4. Capital Assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2008</u>
Computer equipment	18,551	12,341	6,210
Leasehold improvements	256,092	127,250	128,842
Office furniture & equipment	<u>97,700</u>	<u>29,310</u>	<u>68,390</u>
	<u><u>\$ 372,343</u></u>	<u><u>\$ 168,901</u></u>	<u><u>\$ 203,442</u></u>

5. Internally Restricted Fund:

The Transition Authority received the internally restricted contribution (\$138,225) as part of the transfer of net assets from the Transition Team for the following purposes:

- Act as a contingency reserve that will assist to conclude the operations in the event of a failure to create an Aboriginal Authority.
- Be placed into the operating budget once the Aboriginal Authority is established.

6. Related Party Transactions

The Transition Authority is related through common ownership to all Province of British Columbia ministries, agencies, school districts, health authorities, colleges, universities, and crown corporations. Transactions with these entities, unless disclosed separately, are generally considered to be in the normal course of operations and are recorded at the exchange amount.

MCFD provides information technology support and leased space to the Transition Authority. The costs associated with these services for the period June 9 to March 31, 2008 were \$46,013 and \$100,275, respectively.

On June 9, 2007, the board of the Transition Team approved the transfer of operations and the following assets and liabilities to the Transition Authority at cost as follows:

	<u>2008</u>
Cash	\$266,229
Accounts Receivable	339,853
Capital Assets	287,178
Accounts Payable & Accrued expenses	(184,234)
Payroll liabilities	<u>(47,871)</u>
	<u><u>\$ 661,155</u></u>

Capital assets have been recorded at their original cost and accumulated amortization at the date of transfer.

7. Economic Dependence

Operations of the Transition Authority are dependent on continued funding from MCFD to carry out its program. These financial statements have been prepared in accordance with Canadian GAAP for not-for-profit organizations. This contemplates continuation of the Transition Authority as a "going concern".



BRITISH
COLUMBIA

Ref: 175293

JUL 16 2008

Marion Wright
Chair
Vancouver Island Aboriginal Transition Authority
303 - 31 Bastion Sq
Victoria BC V8W 1J1

Dear Ms. Wright:

Thank you for your letter dated June 26, 2008, regarding the deficit incurred by the Vancouver Island Aboriginal Transition Authority (VIATA) during 2007/2008 fiscal year. I understand from your letter, and from Ministry of Children and Family Development staff, that the deficit of \$227,667 is mainly due to the timing of when the Interim Authority was created. VIATA has ended the year with an unrestricted surplus of \$91,821.

I am pleased to inform you that I have approved the deficit VIATA incurred during 2007/2008. However, as VIATA is governed by the *Community Services Interim Authorities Act*, I would like you to meet with ministry staff on a regular basis during 2008/2009 to monitor, report and accurately forecast expenditures so that there will be no deficit in the current fiscal year.

I am pleased with the relationship we have developed and am confident we can continue to work together to achieve our shared vision of supporting Aboriginal children and families.

Sincerely,

Tom Christensen
Minister

VIATA	
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JUL 17 2008	
File:	255-30
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Ministry of
Children and Family
Development

Office of the
Minister

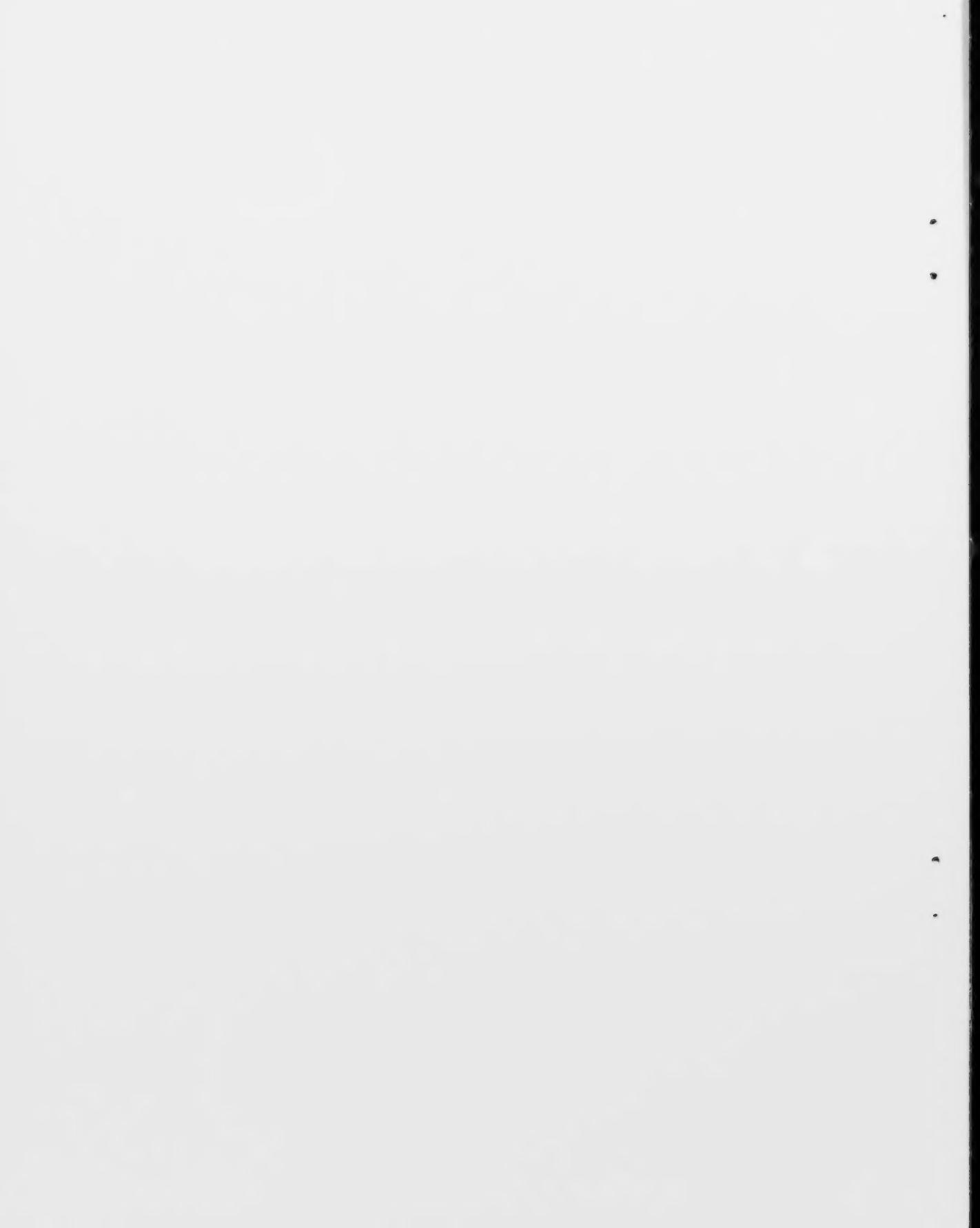
Mailing Address:
Parliament Buildings
Victoria BC V8V 1X4

Location:
Parliament Buildings
Victoria

VANCOUVER ISLAND ABORIGINAL TRANSITION AUTHORITY
COMPARATIVE REPORT
ACTUAL VS BUDGET
For the period from June 9, 2007 to March 31, 2008

	<u>Budget</u>	<u>Expenses</u>	<u>Variance</u>	%
EXPENDITURES				
Staff wages and benefits	544,201	522,316	21,885.00	4.02
Honoraria	88,790	88,263	527.00	0.59
Consultants and contractors	461,333	457,736	3,597.00	0.78
Travel-			+	
Board and committee	55,980	46,373	9,607.00	17.16
Staff	49,987	38,313	11,674.00	23.35
Meetings	114,151	95,090	19,061.00	16.70
Training and education	14,467	12,638	1,829.00	12.64
Professional fees	53,245	48,156	5,089.00	9.56
Communications	32,623	17,933	14,690.00	45.03
Office equipment and supplies	70,393	46,295	24,098.00	34.23
Computer systems	52,560	46,013	6,547.00	12.46
Building and occupancy	97,839	100,275	(2,436.00)	(2.49)
Amortization of capital assets	0	86,849	(86,849.00)	
	<hr/> <u>1,635,569</u>	<hr/> <u>1,606,250</u>	<hr/> <u>29,319.00</u>	

^{1/} The budgeted expenditures were based on the total funds and surplus available for the fiscal year 2007-2008





“Children at the centre...”



VANCOUVER ISLAND
ABORIGINAL
TRANSITION TEAM

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